



MONTANA  
**STATEFUND**

A NEWSLETTER FOR POLICYHOLDERS & MEDICAL PROVIDERS | SPRING 2007

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WWW.MONTANASTATEFUND.COM

## Workplace Safety. Always a Perfect Fit.

### \$7 million dividend declared for 19,500 policyholders

Your commitment to workplace safety has paid off. Our Board of Directors recently authorized a \$7 million dividend payment to nearly 19,500 policyholders of record for the period of July 1, 2004, to June 30, 2005. This

will be the ninth consecutive year we have declared a dividend. In that time we have returned a total of \$48 million to deserving customers.

#### What's a dividend?

A dividend returns a portion of the premium our customers have paid. In the insurance industry, premiums are established before the number, severity, duration or cost of claims can be known. We do this by estimating the upcoming accident year's ultimate results —essentially trying to predict the future based on past numbers. Often, results turn out better than expected. We then declare a dividend and share the remainder with you who helped make it possible. So, the dividend comes from dollars beyond what is determined necessary and prudent to meet current and projected long-term future obligations. Dividends reward and encourage safe and cost-effective behavior and reduce your overall cost of workers' compensation insurance.

#### Why don't we just lower Premiums instead of giving Out dividends?

Dividends are based on previous performance and have no relation

to the forces driving future pricing. While some would argue that withholding dividends reduces the impact of price increases to our customers, we believe this sends the wrong message. In essence, it would penalize those who made an effort to improve workplace

safety by grouping them together with policyholders who had poor results. Those who met the dividend criteria were notified by mail in mid April. Funds will be distributed by mid June.

#### Learn more.

Call your team's customer service specialist with questions, or visit [www.montanastatefund.com](http://www.montanastatefund.com). There you'll find answers to frequently asked dividend questions under News and Publications.

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#### INFO EXCHANGE:

##### Questions about Dividends?

Find answers to frequently asked dividend questions at [www.montanastatefund.com](http://www.montanastatefund.com).

## Safety Program Designed just for Young Workers

### Safety Rocks campaign makes an impact

It's that time of the year when young people are looking for summer jobs. But when they're filling out their applications, are they thinking about workplace safety? More important, are you?

#### Expanding scope to farm and ranch safety.

The Safety Rocks program is a useful tool to help young employees (ages 16-24) think about on-the-job safety. Launched in 2006, Safety Rocks resonated with employers and young workers alike throughout the state. This year we're expanding our informational materials to focus on farm and ranch safety.

*Advertising for Safety Rocks covers a wide variety of media, including print, outdoor, radio and Web.*

#### Website and multimedia resources.

On the Safety Rocks website ([www.safetyrocks.us](http://www.safetyrocks.us)), you'll find downloadable posters, an injury reporting wallet card and useful safety tips and information. We have also created a young worker's safety kit to give you the tools to discuss safety with your younger employees. Our multimedia promotional efforts include statewide radio and print ads and billboards. The creative element of the campaign emulates the wildly popular Apple iPod ads, with hard-hitting messages reminding young workers of dangers in the workplace. These ads direct young folks to visit our website and learn more about workplace safety. There, by answering a few questions, visitors have a chance to win Apple iTunes gift cards.

#### Get your free kit.

We think the Safety Rocks program is an idea worth sharing. For your free copy of the kit or additional information, contact Tammy Lynn at 800-332-6102 (extension 9939) or [tlynn@mt.gov](mailto:tlynn@mt.gov).



## The Crash that Changed a Young Worker's Life

Severe injuries shine a light on ATV safety issues



Aaron Gilman's frightening ATV accident left him with serious injuries and two months of painful recovery.

Recently, 17-year-old ranch employee Aaron Gilman felt the weight of a 600-pound ATV directly on his face. Then, for the ensuing two months, he felt the weight of a painful and difficult recovery.

Fortunately, Aaron also gained new perspective on the importance of safety on the ranch.

### How it happened.

"I was up at the Ruby Dam," says Aaron, "spraying weeds with other area ranchers. I had a tank on the back of my four-wheeler and decided to go to the top of the hill to get the weeds. When I got up there, I hit a bump, and all of the weight of the four-wheeler shifted. It flipped over backwards on top of me, and drug me down the hill."

In shock, Aaron wandered the field looking for help. He eventually flagged someone down and was rushed 60 miles by ambulance to Butte.

*"I wasn't even going fast. I just didn't stop to think things through before driving up there." The result? Multiple facial injuries and a long recovery.*

### Small mistake; big injuries.

At the hospital, emergency providers found a multitude of injuries. The left side of Aaron's jawbone went through his ear canal; the right side was broken in two places. Both cheekbones were fractured, along with both eye sockets. His pallet was ripped down to his throat. He also suffered a broken nose and wrist.

"The handlebars hit me right on the tip of my nose," Aaron remembers. "If they had hit a half-inch higher, I'd either have severe brain damage or be dead. That was lucky for me."

### Part of recovery is gaining perspective.

After a week's stay in the hospital, Aaron was sent home with his jaw rubber-banded shut. He survived on a liquid diet and had to dress with one arm. His recovery was two months of pain and reflection. In mid-August, Aaron had recovered and was ready to work again.

"A half-inch difference between being here and not being here is pretty amazing," says Aaron, "I respect things a little more. Looking back, I know it wasn't recklessness. I wasn't even going fast. I just didn't stop to think things through before driving up there."

Almost one year later now, Aaron has no permanent damage. He continues to be a safety conscious worker. He never fails to buckle up in his truck, and, as a longtime dirt-bike and ATV enthusiast, he wears full safety gear for even the shortest rides.

### A closer look at ATVs.

According to the National Institute for Occupational Safety and Health, an estimated 22,648 non-fatal injuries during 2001 occurred on U.S. farms to youth less than 20 years of age. Approximately 10 percent of these injuries were the result of ATV use. In all, more than 1,400 ATV-related deaths have been reported to the U.S. Consumer Product Study Commission since 1982.

To learn more about how to keep young workers safe on Montana's farms and ranches, visit [www.safetyrocks.us](http://www.safetyrocks.us).

# Workshop: “Championing Safety”

## Deciphering the why, what and how

As you know, developing a comprehensive safety program at your business can lower your premium costs and build employee morale. But always understanding the why, what and how of these programs isn't as easy as it looks. Fortunately, we can help you champion your program in our next round of safety workshops.

**Topics for the workshop include:**

- Why is safety important to your business?
- Why must management be committed to safety?
- What causes accidents?
- What does a safety committee do?
- How do you motivate workers to exhibit safe behavior and champion the cause of safety?
- How do you get to the root cause of workplace accidents?
- How does safety affect your bottom line?



**INFO EXCHANGE:**

**Events and Workshops**

Visit our Events and Workshops section to learn about more upcoming Montana State Fund seminars.  
[www.montanastatefund.com](http://www.montanastatefund.com).

COST WATCH

# Good News for Policyholders

## Decrease in Rates for Policy Year 2008

Montana State Fund's Board of Directors announced an overall average 1% rate decrease effective July 1, 2007, for the coming policy year:

“This is positive news and is the first time we have not had to raise rates in six years,” said Laurence Hubbard, president/CEO. “We believe this reflects a joint partnership between MSF and our policyholders to concentrate on safe work environments and the commitment to return injured employees back to work in a timelier manner.”

Hubbard adds that rates are determined by looking at the types of jobs and business classifications of our policyholders, as well as individual loss (injury) history. Overall rates for our customers may vary up or down by 30%, depending on class code and experience.

Montana State Fund and other Montana workers' compensation carriers use the NCCI (National Council on Compensation Insurance) annual loss cost filing report to help formulate premium rates. NCCI,

**Learn more and register now.**

This workshop is for employers, managers, supervisors, safety committee members and other employees who are instrumental in communicating safety, production or quality in the workplace. To register, visit [www.montanastatefund.com](http://www.montanastatefund.com) and click on Events and Workshops. If you have questions, feel free to call one of our customer service specialists at 800-332-6102 — dial extension 5892 for Wayne Dillavou, or extension 7048 for Rita Naylor.

## SAFETY WORKSHOP SCHEDULE

### Training Locations and Dates

June 1:	Kalispell, Red Lion Inn
June 6:	Butte, Copper King Hotel
June 8:	Helena, Red Lion Hotel
June 13:	Great Falls, Best Western Heritage Inn
June 19:	Missoula, Best Western Grant Creek Inn
June 26:	Bozeman, Best Western GranTree Inn
June 27:	Billings, Holiday Inn Grand Montana

a national not for profit advisory group, analyzes hundreds of job codes and other contributing factors to come up with what it believes is a realistic rate or cost that insurance companies should charge to cover their policyholders' claims.

The NCCI filing effective July 1, 2007, reflects a slight decrease. It sees favorable trends for indemnity (wage loss) costs and a small decrease in claim frequency, coupled with continued but stabilized level of increases in medical costs.

Montana State Fund's rate-making process is very similar to the basis used by private carriers, making it easier for you to compare prices.

New policy pricing information will be sent to you with your renewal packet. If you have questions please contact your team's customer service specialist.

## Knowing Who You Hire

### Do the 2005 independent contractor laws apply to you?

If you hire services from workers other than your employees, you need to determine if the independent contractor (IC) laws that took effect in 2005 apply to you.

#### **The responsibility is yours.**

It is your responsibility to establish that any IC you hire has the proper documentation. If the IC fails to get an exemption or insurance, you may be held responsible for claims on injuries or occupational diseases and for payment of premium on their wages.



#### **Complying with the IC laws.**

To comply with the law, ICs must either have an exemption certificate issued by the Department of Labor and Industry (DOLI), or purchase workers' compensation insurance coverage for themselves. DOLI is responsible for determining and distributing the exemption certificates. To be conclusively presumed to be an independent contractor; 1) DOLI must approve an application for an IC exemption certificate based on a submission for a certificate after April 28, 2005, and 2) the person must be working under the Independent Contractor exemption certificate.

#### **Don't wait for later.**

Before you hire, make sure the IC presents his or her certificate or proof of insurance. For information on obtaining an IC certificate or requirements under the law, contact the Department of Labor and Industry at 406-444-7734 or visit [www.mtcontractor.com](http://www.mtcontractor.com).

*Before you hire, make sure the independent contractor presents his or her certificate or proof of insurance.*



#### INFO EXCHANGE:

- The 2006 Annual Report is now available online at [www.montanastatefund.com](http://www.montanastatefund.com).
- Free Return to Work Kit and posters are available by calling your team's customer service specialists.
- We can provide speakers for a number of workers' compensation topics. Contact Mary Boyle at 800-332-6102, extension 6502.

## Healthcare Providers, Save the Date

Upper Extremity Injuries is the topic for our seventh annual medical conference Friday, November 9, at the Great Northern Hotel in Helena. Look for conference topics, details and registration materials in the coming months. To learn more, contact Bridget McGregor at 800-332-6102, extension 6595, or e-mail her at [bmcgregor@montanastatefund.com](mailto:bmcgregor@montanastatefund.com).



#### INFO EXCHANGE:

##### **Independent Contractor Laws**

To learn more about obtaining an IC certificate or requirements under the law, visit [www.mtcontractor.com](http://www.mtcontractor.com).

## Important MSF Contact Information

### CUSTOMER SERVICE

800-332-6102

### WEB ADDRESS/SAFETY SEMINAR REGISTRATION

[www.montanastatefund.com](http://www.montanastatefund.com)

### YOUNG WORKERS' WEBSITE

[www.safetyrocks.us](http://www.safetyrocks.us)

### RETURN TO WORK WEBSITE

[www.returntoworkmt.com](http://www.returntoworkmt.com)

### SAFETY SEMINAR CONTACTS

800-332-6102

Extension 5892 (Wayne Dillavou)

Extension 7048 (Rita Naylor)

### ACE PROGRAM

800-332-6102

Extension 5982 (Matthew Cohn)

### FRAUD HOTLINE

888-MTCRIME

888-682-7463

or report online at [www.montanastatefund.com](http://www.montanastatefund.com)

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